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RHEBAAA/DEPT OF ENERGY WASHINGTON DC
RUCPDO/DEPT OF COMMERCE WASHDC
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STATE FOR OES DAS MIOTKE, OES/EGC, OES/ENV, AND OES/PCI
STATE FOR S/SECC-STERN, S/P-GREEN, EEB, AND ECA
STATE PASS TO CEQ SUTLEY
USDOE FOR INTERNATIONAL
USDOC FOR MAC AND MAS
USDOC PASS USPTO FOR WU
EPA FOR INTERNATIONAL/MKASMAN/GIANNINI-SPOHN
NSC FOR LOI

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SUBJECT: ENERGY AND COMMERCE SECRETARIES CHU AND LOCKE LEAD
U.S.-CHINA CLEAN ENERGY ROUNDTABLE IN BEIJING

REFTEL: A: BEIJING 3180
B: BEIJING 2865

Summary

1. (U) In an effort to promote clean energy cooperation during the U.S. President's first visit to Beijing, U.S. Energy Secretary Steven Chu and Commerce Secretary Gary Locke led a senior-level U.S.-China roundtable discussion on clean energy on November 16. The roundtable included distinguished panelists from both countries' government, business, NGO, and academic sectors, and was co-chaired by China's National Energy Administration (NEA) Deputy Administrator LIU Qi and attended by China's Minister of Science and Technology WAN Gang. Senior U.S. and Chinese government officials echoed a common theme: both countries must leverage each other's strengths and pool resources to meet the difficult challenges associated with clean energy development. CEOs from several leading U.S. and Chinese energy firms, such as First Solar, Peabody, Suntech, BYD, and ENN, asked government leaders to avoid protectionist measures that could potentially impede clean energy technology trade and suggested that Beijing and Washington coordinate on favorable policy incentives that would stimulate speedier clean energy technology development.

NGO representatives from the National Resources Defense Council (NRDC) and the World Resources Institute (WRI) focused on harmonizing energy efficiency standards and improving the R&D-to-commercialization cycle. END SUMMARY.

GOVERNMENT LEADERS STRESS LEVERAGING TALENT

12. (SBU) China's Liu Qi kicked off the discussion by laying out NEA's priorities for clean energy development. Liu emphasized the need to step up efforts to develop a modern electrical grid, noting that new solar and wind power expected to come on-line in China over the next 10 years will require tremendous coordination between utilities and grid developers. Liu also said clean coal, carbon capture and sequestration (CCS), and electric vehicles are key development priorities for the Chinese government. [NOTE: The priorities laid out by Liu at the clean energy roundtable are somewhat different from those he laid out earlier in the day at the joint U.S.-China Clean Energy Research Center steering committee meeting. See REF A, Para 5 and 6 for a possible explanation of these discrepancies. END NOTE.] Minister Wan noted similar priorities for the Ministry of Science and Technology (MOST). Wan also highlighted the success of the U.S.-China Electric Vehicle Forum (see REF B) recently held in Beijing, and said that MOST planned to make this an annual event. Finally Wan said his dream is to "leave fossil fuel behind," but emphasized that only by sharing expertise will the U.S. and China be able to achieve this goal.

13. (U) Noting that the U.S. and China are the two largest users of energy, Secretary Locke stressed the special responsibility that both countries have to develop clean energy technologies that will

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sustain economic growth and combat global climate change. He said China's agreement to remove localization requirements for wind turbines at the recent U.S.-China Joint Commission on Commerce and Trade (JCCT) meeting was a step in the right direction, and it is only through leveraging each other's technical talents that the United States and China can develop the clean energy technologies the world wants and needs. The Secretary also noted his plan to lead an energy trade mission to China next May, which would include several large U.S. clean energy firms. Secretary Chu expressed optimism about the direction U.S.-China clean energy collaboration is heading, but echoed the need to pool resources of each country in order to make faster progress as the effects of climate change loom.

BUSINESS LEADERS "RETOOLING THE ENERGY INDUSTRY"

14. (U) Business leaders from a wide array of clean energy ventures, including solar, wind, and electric vehicle production, detailed their firms' efforts to meet technology challenges. Bruce Sohn, the president of U.S. solar energy giant First Solar, said that the energy industry world-wide is undergoing a massive "retooling" and that public policy changes will be required to accommodate new energy technologies. Sohn also noted that these policy challenges are nearly as difficult as the technological challenges and will require close policy coordination between the United States and China at the state, provincial, county, and city government levels. During their presentations, several Chinese and American CEOs expressed a similar desire that both governments coordinate closely to develop policies that will ensure continued growth in the clean energy sector through incentives and common standards.

15. (U) U.S. and Chinese business leaders, including Neil Auerbach, former head of Goldman Sachs alternative energy investment unit, and Xie Xiaonan, vice president of China's solar powerhouse firm Suntech Power, also noted that discriminatory trade barriers will impede the best technologies from getting to market, and urged government leaders to devise policies that enhance IPR protection, while promoting free technology trade. Auerbach proposed building on the roundtable by holding a follow-on tradeshow sponsored by both governments that will bring thousands of clean technology entrepreneurs together.

NGOS, ACADEMIA FOCUS ON STANDARDS AND COMMERCIALIZATION

¶6. (U) China and the U.S. are at a key moment where both countries have the opportunity to transform clean energy aspirations into reality, according to Ken Lieberthal of the Brookings Institute. He said that the U.S. and China must develop compatible standards, regulations, common databases, and basic software sharing, which will ultimately drive down costs and speed commercialization of clean energy technologies. Michael Eckhart, president of the American Council on Renewable Energy, and Deborah Seligsohn of the

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World Resources Institute, expressed similar sentiments, highlighting joint venturing as a key means of transferring technology, protecting IPR, and accelerating technology commercialization.

U.S.-CHINA CLEAN ENERGY ROUNDTABLE PARTICIPANTS

¶7. (U) U.S. Participants:

- Steven Chu, U.S. Secretary of Energy
- Gary Locke, U.S. Secretary of Commerce
- David Sandalow, Assistant Secretary for Policy and International Affairs, U.S. Department of Energy
- Frank Alix, Chairman and CEO, Powerspan
- Neil Auerbach, Managing Partner, Hudson Capital Management
- Gregory H. Boyce, Chairman and CEO, Peabody
- Dennis Bracy, CEO, U.S.-China Clean Energy Forum
- David Chen, Vice President, General Motors Corporation
- Kevin Czingler, President and CEO, Coda Automotive
- Michael Eckhart, President, American Council on Renewable Energy
- Barbara Finamore, Director, China Program, Natural Resources - Defense Council
- Thomas Heller, Climate Policy Initiative, Stanford University
- Scott Jacobs, Manager, Cleantech Practice, McKinsey & Company
- Daniel Kammen, Professor, University of California Berkeley
- Gregory Kats, Senior Director, Good Energies
- Haroun Khawaja, Managing Director, AES Corporation
- Kenneth Lieberthal, Director, John L. Thornton China Center, Brookings Institution
- Ernest J. Moniz, Distinguished Professor, Massachusetts Institute of Technology
- Jonathan Read, President and CEO, ECOTality
- Orville Schell, Arthur Ross Director, Center on U.S.-China Relations, Asia society
- Bruce Sohn, President, First Solar
- Bill Tyndall, Senior Vice President, Federal Government and Regulatory Affairs, Duke Energy
- John Watkins, Jr., Chairman, The American Chamber of Commerce, People's Republic of China
- Jack Wen, Vice President and China Region Executive, GE Energy
- Tracy Wolstencroft, Managing Director, Goldman Sachs
- Qi Ye, Chief Representative, Energy Foundation Beijing
- Ji Zou, China Country Director, World Resources Institute
- Deborah Seligsohn, China Program, World Resources Institute

¶8. (U) Chinese Participants:

- Wan Gang, Minister of Science and Technology
- Liu Qi, Deputy Director, National Energy Administration (NEA)
- Wang Jun, Director-General of New Energy Department, NEA
- Liang Zhipeng, Director of New Energy Division of New Energy Department, NEA

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- Zhou Huang, Director of Rural Energy Division of New Energy Department, NEA
- Xiong Minfeng, Director of Hydraulic Energy Division of New Energy Department, NEA
- Li Ye, Director-General of Department of Science and Technology, NEA
- Sun Jiami, Principal Staff Member of Energy Conservation and Scientific and Technological Division of Department of Science and Technology, NEA
- Tian Ruihang, Department of Science and Technology

- Liu Deshun, Deputy Director-General of Department of International Affairs, NEA
- Gu Jun, Deputy Director-General of Department of International Affairs, NEA
- Pan Huimin, Deputy Director-General of Foreign Affairs Division of Department of International Cooperation, NEA
- Wei Xiaowei, Foreign Affairs Division of Department of International Affairs, NEA
- Sun Yang, Foreign Affairs Division of Department of International Affairs, NEA
- Liu Xiaoguang, Foreign Affairs Division of Department of International Affairs, NEA
- Ma Linying, Deputy Director-General of the Department of International Cooperation, Ministry of Science and Technology (MOST)
- Wang Qiang, Director of Division of Americas and Oceania of the Department of International Cooperation, Ministry of Science and Technology, MOST
- Lv Jia, Division of Americas and Oceania of the Department of International Cooperation, MOST
- Jin Xu, Deputy Director-General of Department of American and Oceanian Affairs, Ministry of Commerce
- Xie Ji, Vice Director of Department of Resource Conservation and Environmental Protection of National Development and Reform Commission (NDRC)
- Han Wenke, Director of the Energy Research Institute, NDRC
- Li Junfeng, Deputy Director of Energy Research Institute, NDRC
- Jiang Xiaoqian, CDM Project Management Center of Energy Research Institute, NDRC
- Han Aixing, Deputy Director of Department of S&T and Energy Saving on Buildings of Ministry of Housing and Urban-Rural Development (MOHURD)
- Hou Wenjun, Principal Staff Member of Department of S&T and Energy Saving on Buildings, MOHURD
- Zhou Dadi, Senior Consultant of China Institute of Strategy & Management
- Zhang Yi, Assistant Secretary-General of China Institute of Strategy & Management
- Zhang Jie, President of Shang Jiao Tong University (SJTU)
- Jin Zhijian, Researcher of School of Electronic, Information & Electrical Engineering of SJTU
- Xie Changjun, General Manager of China Longyuan Electric Power

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Group

- Lin Zhaohui, President of Golden Sun Solar Technic Co., Ltd.
- Bai Liang, Vice President of Golden Sun Solar Technic Co., Ltd.
- Zhao Shiming, General Manager of Huaneng New Energy Industrial Co. Ltd.
- Song Yuhong, Manager of Commerce Department of Huaneng New Energy Industrial Co. Ltd.
- Wang Yusuo, Chairman of Board of Directors of ENN Group
- Gan Zhongxue, CTO of ENN Group
- Li Zongwei, CFO of Baoding Yingli Group
- Miao Qing, Manager of Department of Investors' Relationship of Baoding Yingli Group
- Liu Jizhen, President of North China Electric Power University
- Liu Yongqian, Director of Department of International Cooperation of North China Electric Power University
- Han Junliang, President of Sinovel Wind Co., Ltd.
- Chen Danghui, Chief Technical Director of Sinovel Wind Co., Ltd.
- Wang Cheng, President of Hohai University
- Yuan Yue, President of School of Energy and Electricity of Hohai University
- Gao Jifan, Chairman of Changzhou Trina Solar Energy Co., Ltd.
- Geng Lei, CEO of Changzhou Trina Solar Energy Co., Ltd.
- Wu Gang, President of Xinjiang GoldWind Science & Technology Co., Ltd.
- Zhou Tong, Director of Department of Strategic Investment of Xinjiang GoldWind Science & Technology Co., Ltd.
- Shu Yinbiao, Vice General Manager of State Grid Corporation of China
- Zhang Puzhuan, Deputy Director of Development Department of State Grid Corporation of China
- Xie Xiaonan, Vice President of Suntech Power Holdings Co., Ltd.
- Zhang Jianmin, Public Relations Manager of Suntech Power Holdings

Co., Ltd.

- Wang Chuanfu, President of BYD Company Ltd.
- Li Zhuhang, General Manager of Auto Export Trade Division of BYD Company Ltd.
- Zhang Xiaoyang, President of Henan Tian Guan Group Co., Ltd.
- Kang Xinkai, Secretary to the President of Henan Tian Guan Group Co., Ltd.
- Zhu Gongshan, President of Golden Concord Group

19. (U) This cable was cleared by the Secretary Chu Delegation.

HUNTSMAN